

## Message Text

UNCLASSIFIED

PAGE 01 MOSCOW 05944 291820Z  
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 TRSE-00 CIAE-00 INR-07  
NSAE-00 /028 W

-----300729Z 058318 /11

R 291735Z APR 77  
FM AMEMBASSY MOSCOW  
TO SECSTATE WASHDC 6865  
USDOC WASHDC  
INFO AMEMBASSY VIENNA

UNCLAS MOSCOW 5944

BEWT/TDAD (STECHSCHULTE)

BEWT/USSR (HEISS)

VIENNA FOR VONTILLIUS

E. O. 11652: N/A

TAGS: BEXP, EIND, UR

SUBJECT: U.S. SUBSIDIARY SUBMITS BID FOR SOVIET PAPER PLANT

1. REPRESENTATIVES OF CANADIAN AND U.K. SUBSIDIARIES OF U.S. PRODUCER OF PAPER MAKING MACHINERY, BELOIT (BELOIT CANDDA AND BELOIT-WALMSLEY), TOLD COMOFF THAT THEY HAVE JUST SUBMITTED BID TO SOVIET FTO PROMMASHIMPORT FOR LARGE COMPLEX WHICH WILL BE ERECTED TO PRODUCE BOXBOARD. MACHINERY WHICH BELOIT WOULD SUPPLY WOULD BE CAPABLE OF PRODUCING 360 TONS OF BOXBOARD PER DAY. TOTAL VALUE OF CONTRACT WOULD BE IN NEIGHBORHOOD OF \$50 MILLION WHICH, IF WON, WOULD BE SOURCED LARGELY FROM CANADIAN AND U.K. SUBSIDIARIES. THIS NON-U.S. SOURCING WOULD MAKE IT POSSIBLE FOR BELOIT TO OBTAIN U.S. AND CANADIAN EXPORT CREDITS, WHICH, ACCORDING TO COMPANY REPS., ARE ABSOLUTELY ESSENTIAL FOR FIRM TO BID COMPETITIVELY.

2. BELOIT REPS. UNDERSTAND FROM SOVIETS THAT THIS PLANT WILL BE  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MOSCOW 05944 291820Z

FIRST OF AT LEAST FOUR SUCH PLANTS TO BE CONSTRUCTED IN USSR IN NEAR FUTURE. END PRODUCT WILL BE USED PRINCIPALLY FOR PACKAGING MATERIALS. FIRM UNDERSTANDS THAT ITS COMPETITION ON THIS PROJECT IS ESCHER WYSS, BLACK CLAWSEN, VOIT, AND UNNAMED FINNISH COMPANY. CONTRACT AWARD ON THIS PROJECT EXPECTED TO BE MADE WITHIN 60 DAYS AND BELOIT OFFICIALS VOICED FEAR THAT THEY HAD SUBMITTED THEIR BID SOMEWHAT LATE. WHILE SOVIETS HAVE NOT YET MENTIONED

POSSIBILITY OF COMPENSATION DELIVERIES IN CONNECTION WITH CONSTRUCTION OF THIS FACILITY BELOIT WOULD BE, IN PRINCIPLE, WILLING TO CONSIDER SOME FORM OF PARTIAL COMPENSATION AGREEMENT.

3. COMMENT. PULP AND PAPER INDUSTRY HAS BEEN DIFFICULT AREA FOR U.S. FIRMS TO PENETRATE DIRECTLY IN RECENT YEARS. SOVIET PROJECTS TEND TO BE LARGE SCALE, WHICH HAVE MADE ABILITY OF U.S. FIRMS TO OBTAIN COMPETITIVE FINANCING A KEY FACTOR. IN ADDITION, THIS IS AREA WHERE FINNISH FIRMS, WHO CAN SELL TO USSR UNDER TERMS OF SOVIET-FINNISH CLEARING AGREEMENT, ARE EXCEPTIONALLY COMPETITIVE AMONG NON-CEMA SUPPLIERS. ACCORDING TO BELOIT OFFICIALS, FINNS ARE ABLE TO SUPPLY ALMOST EVERY TYPE OF PAPER MAKING EQUIPMENT WHICH BELOIT PRODUCES WITH POSSIBLE EXCEPTION OF TISSUE-MAKING MACHINERY. EMBASSY WILL BE PARTICULARLY INTERESTED, THEREFORE, TO SEE IF BELOITS ABILITY TO UTILIZE UK AND CANADIAN CREDITS WILL ENABLE FIRM TO SUBMIT COMPETITIVE BID.  
TOON

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, PAPER INDUSTRY, SUBSIDIARIES, BUSINESS FIRMS, PROPOSALS (BID)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 29-Apr-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MOSCOW05944  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770151-0835  
**Format:** TEL  
**From:** MOSCOW  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t1977045/aaaaadki.tel  
**Line Count:** 81  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** edd8cba3-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 04-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2783739  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** U.S. SUBSIDIARY SUBMITS BID FOR SOVIET PAPER PLANT  
**TAGS:** BEXP, EIND, UR  
**To:** STATE COM  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/edd8cba3-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009